

1.933

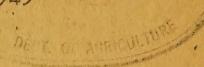
M317

Cop. 2

UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Electrification Administration

September 30, 1945

MANAGEMENT MEMORANDUM 2-2



MANAGER'S MONTHLY REPORT TO THE BOARD

TO ALL REA BORROWERS:

It is the manager's duty to report fully to the Board of Directors on the system's affairs at each monthly Board meeting. This report should be made in writing and should become a part of the official records of the system. Thus, if at some future time any question should be raised as to whether the Directors were informed of certain matters, the manager can refer to the respective report and a good deal of needless controversy and friction can be avoided.

More and more managers have found it expedient to duplicate the manager's report and to mail a copy to each Director so that he can study it and think about it in advance of the Board meeting. This enables the Board to accomplish more in less time and with more certainty that its decisions are well considered. It is quite proper for a Board to require the manager to supply all Directors with copies of his report a few days ahead of the meeting.

The manager's report is intended to serve two purposes. It should enable the Board to determine whether the manager is performing his duties competently and in accordance with the policies established by the members and by the Board of the cooperative. It should acquaint the Board sufficiently with the status and current problems of the cooperative enterprise so that the Board can exercise sound judgment in directing the affairs of the cooperative.

The report should include pertinent facts taken from the monthly operating report and, preferably, should give comparable figures for the current month and for the same month of the previous year. Items usually covered are energy sales, delinquent accounts, total revenue and expense and also per mile of line and per member, bills payable, service interruptions (with duration and cost), load building activities, maintenance program, area developments, construction by contractor or force account, material and equipment requirements, applications for membership. It should also make reference to any matters of a special nature requiring Board consideration or action such as communications from REA, member complaints, employment, plans for members' meetings and for educational activities.

While the manager is the paid executive of the cooperative, the Board is directly responsible to the members for administering the affairs of the cooperative economically and efficiently. It can fulfill its trust only if the manager keeps the Directors fully informed.

T. Thomas McKillop

T. Thomas McKillop, Chief
Management Division
3-24-49